



Automobile Club of Southern California

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009-41

September 8, 2008

Chairman Mary Nichols  
California Air Resources Board  
1001 I Street  
P.O. Box 2815  
Sacramento, CA 95812

**Re: Comments on AB 32 Draft Scoping Plan and Appendices**

Dear Chairman Nichols:

The Automobile Club of Southern California appreciates the opportunity to comment on the California Air Resources Board's (CARB's) Climate Change Draft Scoping Plan and the related Appendices document. We understand the challenges associated with achieving the reductions in greenhouse gas emissions as required by AB 32. The Auto Club, with six million members and over 7,000 employees working in 101 facilities throughout Southern California, has developed the following comments from the perspective of both a representative of transportation system users as well as a major employer.

**Support for Comprehensive Approach**

The Scoping Plan has taken a comprehensive approach in analyzing the amount of greenhouse gas emissions generated by each major sector and in developing recommended strategies for reducing emissions in each sector. We concur that the problem requires a comprehensive solution and that each sector should be responsible for its share of emissions. As the process moves forward, we encourage CARB to maintain an appropriate level of proportionality so that the strategies for each sector are designed to address that sector's relative share of the overall greenhouse gas emissions.

**Support for Technology-based Solutions**

The majority of the emission reductions estimated to be achieved from the strategies recommended in the draft Scoping Plan come from technology innovations and

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improvements. We agree that, at least for the transportation sector, it is much more likely that significant greenhouse gas emission reductions will come from more efficient vehicles, cleaner fuels, and alternative fuel and propulsion systems than from widespread changes in travel behavior and commuting patterns. That has been the pattern for success in emissions reductions we have seen over the past several decades and it is likely to be the pattern for success in the future.

### **Provide Maximum Flexibility**

While most of the greenhouse gas reductions will be coming from improvements in technology, changes to local land use development patterns and the ongoing refinements of long-range regional transportation plans to better address greenhouse gas reductions can play a part in the overall achievement of greenhouse gas reduction goals. Because each urban area has its own set of constraints and opportunities, regulations in this area should be focused on setting emission reduction goals or targets for each area to achieve, with each area being given maximum flexibility in how they achieve those targets. It will be extremely difficult, if not impossible, to develop a "one size fits all" strategy to achieve greenhouse gas reductions through a specific set of land use and alternative transportation strategies. Regional planning agencies and local governments should be allowed to work together on the development of coordinated land use and transportation policies and programs that best fit the needs and requirements of each metropolitan area.

### **Recognize Constraints on Transportation Revenues**

An important issue to recognize in the Scoping Plan relates to the current limitations and constraints on transportation funding. Transportation revenues have not been keeping pace with the growing needs to operate, maintain, rehabilitate, and improve the state's transportation networks. In addition, state and federal laws control the degree to which existing funds can be shifted between operations, maintenance, and construction and between travel modes. The effort to reduce greenhouse gas emissions will likely lead to recommendations for expanded transit services, which will require additional revenue for both capital projects and ongoing operations. However, all aspects of transportation need additional resources. Simply reallocating highways dollars to transit or asking motorists to pay more for transit will not address road maintenance, rehabilitation, and safety needs (all of which will continue to grow in the future), will increase congestion (and related emissions), and will not result in the needed reductions in greenhouse gases. At the same time, projected reductions in vehicle miles traveled and increases in fuel efficiency, which are part of the strategies in the draft Scoping Plan, will have the effect of reducing transportation revenues. CARB should clearly identify these constraints on transportation funding as part of the Scoping Plan and include appropriate strategies for providing needed revenues that do not deplete one aspect of transportation to fund another, do not burden motorists with the bulk of revenue needs,

and that recognize the larger societal benefits of improved transit and appropriately fund transit with revenues from all beneficiaries and from general resources.

### **Need for Additional Economic Analyses**

As the Scoping Plan and subsequent regulations are developed, the strategies to be implemented need to be based on the best available scientific and economic analyses to ensure that the most cost-effective and technologically feasible strategies are being recommended to both reduce greenhouse gas emissions and protect the California economy. We are aware that CARB is in the process of conducting economic studies. Such additional economic impact analysis information is critical, especially with today's struggling economy. There needs to be a complete understanding of the costs and benefits associated with each strategy. There are still a number of concerns and questions related to how the recommended strategies will actually be implemented. CARB needs to make sure that California businesses can remain competitive. We can't solve greenhouse gas problems by driving businesses to other states.

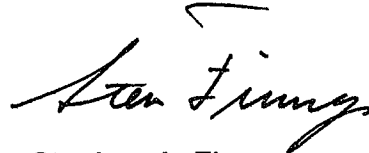
The impact of the proposed strategies, especially for low income communities and businesses, must be examined in detail. Many of the strategies could lead to increases in the cost of driving, the cost of vehicles of all types, and the cost of homes and commercial buildings. The up-front cost increases may be offset over time by reduced operating costs and efficiency improvements, but these types of tradeoffs must be clearly identified so that the overall costs and benefits of the plan can be fully assessed.

### **Promoting Efficiency Improvements in Buildings**

The draft Scoping Plan appropriately calls for energy and water efficiency improvements in buildings throughout California as part of the set of strategies to reduce greenhouse gas emissions. In implementing these strategies, we encourage CARB to provide building owners with maximum flexibility to develop innovative approaches to meet the emission reduction goals. Of course, financing is a key barrier preventing more rapid implementation of efficiency improvements. We would encourage CARB to pursue innovative funding options that would help business owners to spread the up-front cost of efficiency-related improvements over time so that the savings in monthly energy and water operational costs can be used to help offset the cost of financing the capital improvements. Additional tax credits or other incentive programs, that CARB could help initiate, would provide additional incentives for business owners to accelerate the implementation of efficiency improvements. In addition, buildings should be included as part of a voluntary offset market to further incentivize the reduction of greenhouse gases.

The Auto Club looks forward to working closely with CARB and the wide range of stakeholders interested in the implementation of feasible and cost-effective strategies to reduce California's greenhouse gas emissions.

Sincerely,

A handwritten signature in black ink, appearing to read "Stephen Finnegan". The signature is written in a cursive style with a large, sweeping initial "S".

Stephen A. Finnegan  
Manager, Government Affairs  
and Public Policy